

IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

Arbitration Case No. 65 of 2014 (O&M)
Date of Decision: 25.04.2014

M/s Raheja Builders Pvt. Ltd.

..Petitioner

Versus

HSI IDC Ltd. and another

..Respondents

CORAM: HON'BLE MR. JUSTICE SANJAY KISHAN KAUL, CHIEF JUSTICE.

Present : Mr. Puneet Bali, Sr. Advocate with
Mr. Ranjit Saini, Advocate, for the petitioner.

Mr. Rajvir Sihag, Advocate, for the respondents.

SANJAY KISHAN KAUL C.J. (Oral)

Reply is stated to have been filed in the Registry but returned under some objection. However, reply is taken on record in Court.

The respondents issued advertisement inviting bids for allotment of commercial sites in proposed Export Complex, Panipat. A public auction was held on 04.02.2004 in which M/s Harrison & Harlaj Ltd. Panipat, participated and was successful in the bid for a site in Block-C having an area of 1260 Sq. meters against the total bid price of ₹ 2,46,000,00. Thereafter, the petitioner purchased the aforesaid plot from M/s Harrison & Harlaj Ltd. Panipat and re-allotment letter was issued in favour of the petitioner on 20.07.2005. As per the terms and conditions as stipulated in the re-allotment letter, the petitioner had paid all the outstanding dues and after making the full and final payment of the aforesaid plot, a deed of conveyance was executed at Panipat on 13.03.2006 between the petitioner and the respondent-corporation.

It is the case of the petitioner that the disputes have arisen inter-se the parties from the aforesaid bid and the re-allotment letter as the respondents failed to fulfill its part of obligation including obtaining various permissions and sanctions.

The agreement inter-se the parties contains clause 18 as the arbitration clause by which the Managing Director or any other officer appointed by him shall act as the sole Arbitrator.

In view of the disputes, the petitioner invoked the arbitration clause vide letter dated 31.12.2013. There was neither any response to this letter nor was the Arbitrator appointed.

Reply filed in the Court does not dispute the existence of the agreement, existence of the arbitration clause and legal notice having been served but the only plea raised is that the respondents are not liable to pay amount to the petitioner and that the claims really arise on account of non-performance of obligations by third parties including the Municipal Corporation. It is further submitted in Court that even reconciliation efforts were made but failed.

In my view, there is practically no defence to the claims for reference to arbitration. As to whether the petitioner suffered loss due to failure of obligation of the respondents which in turn was based on failure of obligation of other third party and the effect thereof, are all the matters to be examined in the arbitration proceedings as the petitioner is not claiming any amount from any third party but only from the respondents.

In view of the aforesaid, I appoint Mr. Justice Kuldeep Singh, retired Judge of the Supreme Court, as sole Arbitrator to enter upon the reference and adjudicate the disputes *inter-se* the parties. The arbitration would be held under the aegis of Chandigarh Arbitration Centre and the Rules including qua fee and expenses would govern the arbitration.

Petition is accordingly allowed leaving the parties to bear their own costs.

A copy of this order be sent to the Arbitrator as well as the Centre.

25.04.2014

'ravinder'

(SANJAY KISHAN KAUL)
CHIEF JUSTICE